GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:5764
ANSWERED ON:17.05.2007
ONGC BG JOINT VENTURE
Bhadana Shri Avtar Singh

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whetlier British Gas and ONGC joint venture for developing the 3K-G Basin blocks have been dropped by the Government;

(b) if so, the reasons therefore;

(c) whether arbitraiy denial for JV will lower the image of Indian Government among Global investors; and

(d) if so, the steps being taken to restore the JV between BG and ONGC which has been conducted through a transparent bidding process?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS(SHRi DINSHA PATEL)

(a) to (d) : The Government has not approved the proposal of Oil and Natural Gas Corporation Limited (ONGC) for alliance with British Gas Exploration & Production India Limited (BGEPIL) for exploration and development of three deep water blocks in the Krishna Godavari basin. The farm-in strategic alliance proposal in respect of BGEPIL was not adequately responsive in comparison to terms being offered during the open bidding process under New Exploration Licensing Policy (NELP). Therefore, Government decided that it would not be appropriate to accept the proposal at such a stage when our NELP process has achieved good credibility and support worldwide based on a transparent open bid system and speedy decision making process. The above blocks could be offered in the upcoming rounds of NELP as and when their exploration tenures - come to an end. The Government has consistently been following a fully transparent and open methodology for awarding exploration blocks under NELP, and this has enhanced the image of Government among global investors.